

The Arab State, Identity and Social Progress: Egypt, Globalization and the Challenges of Integration (Robert Bowker)

*Beware of underrating state power, but in addition give proper attention to
social forces and processes and see how they relate to the development of
states and world orders. (Robert Cox, 1981)*

The Arab uprisings in 2011 showed that the Middle East is changing in ways which a decade ago were rarely contemplated, either in the countries concerned or beyond them. However one factor remains constant — if Arab countries of the Middle East are to surmount the pressures of demography and conflicting aspirations and values in a globalizing world, the challenges of creative interaction transforming outmoded economic and political structures, and fostering adaptive societies, will have to be addressed more effectively. Success or failure on the frontiers between the global and the local in the Arab world will be determined in large measure by the quality of the relationship between Arab society and world society. If a stronger and more productive engagement between the two is to emerge, it will need to be joined with the process of transformation which is under way within the Arab world.

The dynamics of globalization – taken here to mean a process making social relations ‘relatively delinked from territorial geography, so that human lives are increasingly played out in the world as a single place’ (Scholte 2000, 14-15) – must be understood in the context of the interaction between social forces, states and the structural characteristics of a world order characterized by differentiation and manifest inequalities (Halliday 2002). These processes are also occurring amidst the exercise of national sovereignty, in both political and economic domains; determination on the part of Arab intellectuals to re-invigorate the culture, institutions and core values by which people are proud to identify themselves as Arab (Shboul 1993); and the rise of Islamist political and pietist movements which challenge the values, practices and policies of a secular, authoritarian order.

In these socially-charged ‘zones of cultural interface and fluidity in group affiliations’ (Lightfoot and Martinez, 1995, 472) we have simultaneously witnessed concern to affirm the exercise of national sovereignty, in both political and economic domains; the emergence of a politically-aware, technologically and organizationally sophisticated generation of youthful activists for whom the barriers of fear of the repressive power of the state have finally been broken; and the rise of Islamist political and pietist movements which challenge the values, practices and policies of the secular, authoritarian order which characterized long-established Arab regimes.

In Egypt in 2011, instead of the widely-anticipated continuation of a process of incremental albeit uneven reform, we saw a sudden political collapse of the regime and the beginning of a period of political transition whose ultimate direction is not yet established. The traditional political class has failed to capture the imagination and support of the younger generation of middle class political activists, while ‘revolutionists’ have struggled much of the time to sustain popular support for their causes in the absence of coherence of vision and effective political and communication skills; and amidst the debilitating effects of economic uncertainty on most

Egyptians. Islamism remains a key challenge to the values by which the secular Egyptian elite attach themselves to a wider cosmopolitan world, but the Muslim Brotherhood, not the secular parties, has emerged as the dominant force in Egyptian politics. There has also been a rapid growth of the salafist phenomenon, amidst signs of social breakdown, ranging from the behaviour of football supporters (Lindsey, 2011) to the flouting of law by street hawkers.

The two decades leading to 2011 had seen the intensification of a highly varied, eclectic and opportunistic interaction, not only between Arab society and world society, but also within Arab societies and indeed within Arab governments across the boundaries of these supposedly separate spheres. Arab states, including Egypt, have been instrumental in restructuring national economies to improve their responsiveness to the demands and disciplines of the global economy. Moreover, the Arab experience was not merely a process whereby cultural and economic colonists from the developed Western core dominated and innovated, while the less fortunate in the Arab world periphery remained mere passive recipients or victims of various forms of intellectual, economic and strategic hegemony. Instead, there is ample evidence of determination on the part of Arab intellectuals to re-invigorate the culture, institutions and core values by which people are proud to identify themselves as Arab (Shboul 1993).

Identity has a range of meanings in the Arab world, and the impact of globalization depends on context, national and individual circumstances (Nye and Keohane, 2000). National identity provides a platform for the promotion and preservation, by the state and its agents, of specific sets of values. Tribal, religious and other sectarian demarcations remain influential, of course, and are often subversive to the power of the state, especially in times of heightened social and political stress. But for more than half a century national institutions, which range from education systems to armed forces to presidents, and from flags to anthems and national football teams, have routinized and afforded primacy to the identity and values of the state in the minds

of its citizens. For the overwhelming majority of Arabs, the notion of a geographically delimited and formally institutionalized national identity is consistent, at an individual level, with a desire to be 'modern' as well as Arab and, in a growing number of cases, self-consciously Muslim. That makes the relationship between state and society an appropriate (but by no means the only) entry point for analysis of the impact of globalization on Arab identity and political, economic and social behaviour, and for discussion of the relationship between the Egyptian uprising and Egypt's place in a globalizing world.

That the performance of Arab states in responding to contemporary challenges up to the end of the first decade of this century fell far short of popular Arab expectations is hardly in dispute. One of the most important and controversial aspects of the critical Arab self-analysis in the *Arab Human Development Report* series (UNDP 2002-2009) was a painfully direct focus on the shortcomings in performance of the Arab state as an agent of positive change at a time of looming and unprecedented social crisis (see here also the analysis of Hatem in this volume). The status of military and security elites is under increasing pressure in the eyes of a small but increasingly vocal, technologically sophisticated and globally networked civil society.

However even if it were true, as Fouad Ajami once claimed, that we are witnessing "a great unsettling of things, a deep Arab malady" (Ajami 1998, 3) we are seeing, at this point, a crisis within certain Arab countries facing a globalizing world, not a crisis of the Arab state or the Arab system. The Arab intellectuals' call in the *Human Development Report* series was for reform of archaic practices, values and preserved privilege embedded in the institutions of the state. But neither they, nor the political activists now at the forefront of the uprisings, nor the political forces which are emerging from the ashes of the fallen regimes have offered an alternative to the state system. Nor have they envisaged any instrument for change and reform superior to that of the Arab state itself. The fact the Arab world was 'richer than it (was) developed', the 2002 report argued, was not due to a lack of resources, but rather to 'deep-

rooted shortcomings in the Arab institutional structure' (UNDP 2002). Rectification of that structure, rather than its removal, remains the primary focus.

The past decade also saw the end of effective control by Arab regimes over popular access to external sources of information and public political discourse. In addition to the media revolution, Fred Halliday has pointed out the importance of emulative linkages, imitation and competition at certain levels within the region, as well as certain contrary tendencies toward differentiation (Halliday 2005, 2002). Moreover, the 'influence of example, ... personal influence and ... money, as well as the shaping of expectations of elites and a common political language' (Halliday 2005, 39) suggests that, over time, there may be greater convergence between on one hand the values of states and societies in the Arab Middle East, and on the other hand those values which are fostered by the states, societies and institutions which have global reach, thereby underlining the necessity to focus on the encompassing social horizon of world society into which also Middle East politics and society are coherently embedded (see introduction by Stetter in this volume) . However other boundaries to globalization – notably the cultural, intellectual and political factors moulding the clay of collective and individual Arab identities – are changing at a much slower rate than the factors mentioned above thus highlighting the dynamic interplay between the two theoretical poles referred to by Stephan Stetter in the introduction.

Against that background, and recognizing that globalization is a complex and multidimensional process of, what Andreas Wimmer has called simultaneous 'isomorphization and heteromorphization in an interconnected world' (see also Stetter 2008: 24), the aim of the discussion which follows is to consider the role of the Arab state in shaping the social forces and processes through which globalization (in the sense defined above) and the Arab system encounter each other. The discussion will seek to provide, by referring to the Egyptian experience, a more nuanced understanding of the place of the state among the many factors,

including globalization and revolution, affecting the creation, transformation and syncretisation of new social and cultural constructs which will shape the Arab outlook over the coming decade.

Conceptual framework: horizontal and vertical integration

For all its inadequacies, some of which are mentioned below, an approach which focuses on axes of integration provides a rudimentary analytical framework, in conjunction with a discussion of the role of the state, which helps to identify, in very broad terms, some of the dynamics at work in the encounter of Arab societies with the globalized world. To be effective at a national level – as a society and as a state - in a globalizing environment requires relatively advanced performance in terms of what may be referred to as horizontal and vertical integration. By horizontal integration is meant the extent to which societies prove responsive to externally-generated or imposed ideas, values, information and images, something which may be broadly assessed by considering the role of communications, media, education, civil society and other forms of networking in the transmission of ideas and values across national borders. By vertical integration is meant the level of social and political cohesion and communication within Arab society itself, including in response to externally-generated influences.

The distinction between the two axes is of course far from clear cut, and may reasonably be criticized if carried too far. Generational, gender, education, class and other gaps inevitably generate differing perceptions and responses within particular societies to changing ideas and values, including ideas originating externally. Nor can one necessarily categorize some influences as mostly externally-generated or home-grown. In the Arab world Islamist figures ranging from Yusuf Qaradawi to Amr Khaled, and pietist salafist preachers from the Gulf states exercise considerable appeal and moral authority across national boundaries. Arab entertainers such as Egypt's Amr Diab and Lebanese divas such as Elissa, Nancy Ajram and Haifa Wehbe promoted on cable television networks across the region; sports personalities; film and

television stars and other role models have a strong influence over popular perceptions of fashion, values and even romance. Some audiences may be influenced by, or strongly approve of, external role models, both Arab and western. Others may see them as reflecting precisely the values and lifestyles which should be avoided by those seeking to emulate the faith and practices of their ancestors.

The importance of vertical integration is also easily over-stated, since non-Arab countries which are relatively advanced in terms of global competitiveness and effectiveness often nevertheless display considerable internal friction and division along class, racial and religious lines. And while opinion polling may suggest high levels of support for certain notions or values at a general or unspecific level (Rutherford 2008; Silatech 2009), there may nevertheless be significant gaps between Arab societies and western societies (just as such differences may exist within those societies themselves) concerning the meaning of such contested values as freedom, justice and democracy.

However the two axes do provide an analytical portal into the nature of the challenge facing Egyptian society in its engagement with the wider world. Consumerism, for example, affects both horizontal and vertical axes. For the vast majority of young Egyptians with significant disposable incomes, growing expenditure on lifestyle products and amenities is an affirmation of social status, fashionability at a global as well as local level, and a degree of personal fulfilment and comfort. As a cursory glance at the advertising billboards between Cairo airport and downtown reveals, the imagery which surrounds the competitive branding of similar products, ranging from foodstuffs to mobile phones to real estate developments is strongly cosmopolitan in its values. While presumably intended to target a wide spectrum of Egyptian society, there is almost no *hijab* anywhere to be seen in those advertisements, let alone the full face veils (*niqab*) increasingly worn in urban centres.

The impact of consumerism on vertical integration is much harder to estimate. There is, of course, a risk of considering, for historical reasons, vertical integration as mostly a process driven from the top down, and overlooking pressures building from below for change which may be expected to become more evident during the decade ahead. But at this juncture, while the gated housing communities advertised (in English) along main roads of Cairo are, at least to outsiders, a confronting confirmation of growing social and economic divisions in Egypt, they are not a driver of political mobilization. The uprising of January 2011 was firmly focussed on the political objective of regime change, not on issues of income distribution. And despite the excitement generated by the removal of the Mubarak regime, if the substantial numbers of Egyptians who shop in western-style supermarkets are any guide to the political values of those who live in such communities, those aspirations seem clearly directed, for now, towards maintaining lifestyles of growing consumer comfort in which politics play little obvious part.

The Egyptian State and the Mediation of Change

In the case of Egypt, and for most Arab Middle East countries, the concept of ‘the state’ has many facets, and incorporates important ambiguities. First, although it encompasses the formal institutions of government – a powerful executive authority, as well as cabinet ministers, legislative and judicial systems, and extensive bureaucracy, military and security services – the informal and non-transparent, non-accountable networks of power and privilege existing alongside its formal frameworks are the more powerful in the determination of policy (Bowker 2010).

Second, although the Mubarak regime was successfully challenged by the determination of reform-minded elements within both formal and informal networks to bring political change about, the systemic character of the state remains underpinned by a complex mixture of social values, pedagogy, popular mythologies and, in many cases, fear of the new or scepticism about

the possibility — or desirability — of transformative change. Although it may be criticized for doing too little, too late, to respond to changing demographic and other circumstances, the fact that the Egyptian state remains strong is evidence of a process of adaptation and renewal that, for all its real and alleged shortcomings, has nevertheless allowed the Egyptian system to avoid atrophy or collapse.

The processes by which Egyptian society and world society engage each other – horizontal integration – encompass values and modes of behaviour which are sometimes shaped by the state. But while one may see the Egyptian state as an important mediator of the globalization process, including as a facilitator of horizontal and vertical integration, as discussed below, it mostly undertakes that role as a preserver of privilege, while also promoting procedural, though not usually transformative, reforms (Ottaway and Dunne 2007; Tripp 2000). Moreover, the state often lacks coherence in its approach. Tensions between the agendas of different agencies of the state are commonplace – notably between those whose concerns for national security cause them to be wary of economic and political reforms, especially those reforms fostered under external pressure which they fear may erode social stability; those for whom ongoing economic, and at least in the longer term, political, reform is a priority, and those who are more willing to accede to calls to root out and apply transitional justice to all elements of the former regime associated with the abuse or perceived misuse of power in various forms.

In the post-Mubarak era, we may expect to see elements of the state continuing to use their authority to interpret, coerce, encourage or criticize in order to subvert as well as nurture reform. The former regime was adept at formally promulgating certain values (such as the introduction of presidential elections) while limiting their application in substance (including, in regard to those elections, the use of constitutional devices to prevent the emergence of credible opposition candidates). The interests of the privileged secular elite, long determined to exclude Islamists

from legitimate political life, have helped preserve a predominant role for the security services within the overall state apparatus. And in some areas corruption and bureaucratic lethargy have impeded the introduction of specific reforms, or distorted their effect (Sfakianakis 2004) even when certain measures may be deemed by relevant ministers to be a priority for government action.

Considered from a vertical axis perspective, limited integration within Egyptian society between leaders, middle class and popular society; and a tendency among the popular audience to see reformists as western-oriented have also helped to produce varying responses to state-led initiatives to meet the pressures and opportunities of globalization, a process described by Egyptian scholar Ibrahim Karawan as more feared than welcomed in the region as a whole (Yaphe 2002: 6). Indeed ambitions on the part of the state to be part of that process, as a mediator or as an arbiter, together with the strength of informal networks in defending privilege and resisting change has often produced strong resistance to reform at the societal level.

Hostility among Egyptian salon society towards economic reform is especially strong when it is perceived to come with an undisclosed agenda of forcing a marginalized, politically weakened and morally compromised Egypt to accept and deal with Israel – still seen by many in the region as the embodiment of Arab humiliation – as a legitimate part of the region. And because the boundaries between the Egyptian state and Egyptian society are blurred, with both possessing characteristics which are both authoritarian and chaotic; and because Egyptian society is strongly stratified, with weak internal communication, the capacity of the state to generate sustained, systemic-level political support for change is severely constrained. Meanwhile there is abundant evidence in Egypt of the determination of the established system to defend itself, during the process of economic reform, from pressures for transparency, accountability and political reform (Heydemann 2004; Sfakianakis 2004).

Viewed along both horizontal and vertical axes at this juncture, therefore, the importance of national identity, and the values by which Egyptians position themselves in the state-centred,

authoritarian and hierarchical realm of everyday existence means that Egypt does not lend itself readily to characterization, following John Burton, as a participant in a ‘globalized cobweb’ of social relations which constitutes ‘de-territorialized [space] on the basis of ‘cultural, religious, ethnic and ideological ties’’ (Stetter 2008: 18). Nor does the emergence of such phenomena as the new Arab media (Lynch 2006) necessarily inculcate in the Egyptian public sphere a sense of commonality and opportunity, or more nuanced understanding of differences likely to favor the emergence of a liberal political environment more consistent with the normative values generally associated with globalization (Sakr 2001). The receptivity of Egyptian society as a whole to the challenges and opportunities arising from globalization — including in the post-uprising situation — varies according to the prevailing interests and perceptual predispositions of different layers and segments of that society.

Even in terms of Egyptian perceptions of Egypt’s appropriate place among Arab countries, the notion of deterritorialized identity and interdependence associated with globalization pales in comparison to particularistic notions of Egyptian national identity – despite the presence in Cairo of the headquarters of the Arab League, which was created partly with a view to surmounting such rivalries and divisions. Beyond a somewhat oppositional sense of shared Arab identity, in which young Egyptians are increasingly aware of themselves ‘as distinctly Arabs in the global context’ (Yamani 2000; 2002); and more recently, in terms of the inspiration derived from uprisings elsewhere in the region, it is only in some specific respects – notably in regard to the global networking of certain streams within Islamism, and among some elements of the modern middle class – that there is arguably much sign of being, or wanting to become, part of a wider regional, let alone a *non-Arab* global network.

Below the most abstract levels of generality (language, religion, relatively wide aversion to Israel) and perhaps the shared experiences and aspirations of those engaged in struggles to overthrow their own regimes, there is more to divide Egyptians from other Arabs than to unite them. Once a natural defense against post-colonial anxiety (see Bilgin in this volume), and still

a potent albeit declining political value in some quarters, the societal and political importance of nationalism at a pan-Arab or regional level has been waning in Egypt since 1967. Its decline was significantly hastened by the ruptures in Arab politics which followed the Egypt-Israel peace treaty of 1979 and the Iraqi invasion of Kuwait in 1990. Despite the ongoing pan-Arab symbolic significance of the Palestinian issue, at popular levels attitudes to the Palestinians vary widely. And in place of pan-Arabism one can observe heightened levels of Egyptian national sentiment, exaggerated in some instances – such as the extraordinary antipathy generated by crowd behaviour surrounding football matches between Egypt and Algeria in November 2009 and Egypt and Tunisia in March 2011 — and the parochialism of populist political figures and audiences alike.

Within Egyptian society economic, social and political gaps are widening. Egypt is witnessing an accelerating process of segmentation – between those living in what they would regard as a traditional Arab Islamic milieu and those who regard themselves as both Arab and ‘modern’; between those who are part of a state-sponsored economy and those who are associated with a capitalist middle class; and between secular and Islamist elements. The fragmentation which that process produces is adding a layer of complexity to more traditional, but highly resilient divisions based on social stratification.

The capacity of the state to direct change would be stronger if it were prepared to apply the full force of its legal and political authority to back its policy decisions. But for the reasons mentioned earlier, reform – especially reform driven by concern to be an effective part of a globalized world – is problematic political and social terrain. In navigating along that path, seeking ways to cross the social and cultural frontiers between Egyptian society and the globalized world without effective redistributive mechanisms for the financial rewards generated by economic reform policies, and without credible concern for social justice being reflected in government policies and the behaviour of its agencies, the legitimacy and authority of the state has suffered.

However even without inculcating – at least to any significant degree – a sense of collective popular identity transcending jurisdictional barriers and national sovereignty, it is also true that the horizontal axis of globalization is affecting Egypt's economic, social, cultural and behavioral processes. The processes of engagement with world society are not necessarily bounded completely by considerations of national identity, political rivalries and disputes, or by the power of the state and its agencies to obstruct or to facilitate such engagement. Adaptation and innovative behaviour, usually beyond the controls of government and other traditional forms of authority, have fostered eclectic and pragmatic choices concerning lifestyles, consumer tastes, population movements, employment and education.

Demographic pressures measured in terms of graduate unemployment, rising levels of education, health and literacy, and the political marginalization of most of the population represent a significant long term challenge to the privileged Egyptian elite. Globalization has strengthened the capacity of the state to contain such pressures, through more effective surveillance and control over individuals and organizations deemed to be a security or political risk (Alterman 2009). But whatever the political character of the Egyptian regime may become, the key to managing the demographic challenge, and the environmental pressures which will grow over coming decades, will be the success or otherwise of government-instituted economic reforms underpinning economic growth and employment opportunities, especially for the growing number of unemployed graduates of secondary colleges and universities. On that score, Egyptian policy makers face a limited range of choices when it comes to protecting and promoting their country's economic interests under conditions of intensified global competition and interdependence.

The demographic, educational, generational and other factors promoting change may be marginal in their effects on the wider scheme of things at this moment, but the process is very hard to resist or reverse. And that will have implications for the sustainability of authoritarian values displayed at familial and societal levels which have long tended to privilege

predictability, continuity and social solidarity or control ahead of individual freedom, creativity and intellectual inquiry. Over time, in conjunction with rising levels of education, literacy, female employment, generational changes and the subversive pleasure of the internet have the potential to redefine the patriarchal values which have shaped Egyptian society and sustained its political character.

In combination, those factors are already loosening Egypt's social rivets. prior to the 2011 uprising. Advances in technology are bringing a good deal of ambiguity, contradiction and moral confusion among an increasingly internet-savvy generation of young Egyptians seeking to adapt that technology to suit social purposes and, in some cases, to circumvent social taboos (Eltahawy 2009). The rapid increase in the number of internet users in Egypt, for example, from 650,000 in 2000 to 9.1 million in 2008, has been accompanied by the rise of 'virtual relationships' as a means of steering around restrictions on social contact between males and females. Eighty-two per cent of Egyptian internet users surveyed by the Egyptian Cabinet Information and Decision Support Center (IDSCC) in 2009 said they believed such relationships were 'deceitful' – but half of them reportedly admitted to having at least one (*Daily News Egypt* 3 November 2009).

The first decade of the 21st century also saw a new, globally-oriented economy and patterns of behaviour in business, government and culture developing alongside, rather than in opposition to, those elements of Egyptian society which have remained more traditional in their values and behaviour. Elements of the Egyptian economy – the commercial agricultural, food processing, vehicle parts and garments manufacturing sectors are good examples – have become more globally integrated and competitive. The economic dynamism of the Gulf economies, and closer economic engagement by Egypt with the US and EU had a positive impact, not only in terms of investment flows and the introduction of new technologies, but also in terms of employment and empowerment of the generation of Egyptians now entering the workforce.

Nor was the state a passive actor in this process. There was a rising degree of responsiveness to the requirements of modern financial and business environments, even if there remained a long way to go in terms of transparency and accountability and delivering the benefits of reform across their communities as a whole. The reforms introduced to date have served to preserve the privileges of the elite, who were best placed to garner the business opportunities and other benefits which arose for well-connected individuals from the reform process. Elite business circles were the first to benefit from the deregulation and other reform initiatives that provided a powerful stimulus to investment and business growth (World Bank 2007).

It should be mentioned however that by the end of the last decade there was also, in better-informed and reflective Egyptian political circles, a growing realization that the extent to which reform processes and measures supported popular notions of social justice and sought to combat corruption — or failed to do so — would determine popular perceptions of both the government and the reform programs alike. In private, senior National Democratic Party figures and civil society activists were willing to acknowledge that failure on that score would accentuate the tendency for alienated Egyptian youth to turn away from established political structures that offered little scope for addressing their needs, and to seek solace elsewhere. Prior to the uprising, there was increasing concern within some elements of the Egyptian government about the wisdom of economic reforms — such as the proposed encashment of food subsidies — whose negative political impact would be very difficult to manage.

In the coming decade, especially in the fluid political environment since the fall of the old regime, there remains the larger problem, in the context of the challenges of vertical integration of Egyptian society, of how to make an organic connection between institutions and wider populations lacking credible leaderships and role models. In a theoretical sense, popular empowerment through political liberalization might open up opportunities for debate and

persuasion of sceptical audiences about the benefits of reform and accommodation to global standards of behaviour. But in the absence of effective political leadership and communication the capacity of reformers to overcome the suspicions they generate about their objectives, including within the elite and the middle class, and among the wider audience, is limited. For the reasons mentioned earlier, reformers are more likely to be regarded, especially by audiences insecure about their place in a globalizing world and feeling vulnerable to external forces, as part of a global, western-oriented network, rather than representing a core part of a progressive Arab social and political structure (Fuller and Lesser 1995).

In addition to the concerns mentioned above empowerment necessarily enters the domain of societal and political values. Persuading people to speak one language – of reformist vision and democratization – is not the same as getting them to act accordingly, especially where there is genuine concern about the political and security contexts in which reform is pursued. Over the past decade significant progress has been achieved in Egypt in terms of overhauling such areas of government regulation as taxation, customs administration, business registration and the opening up of a statist economy to private (usually externally-backed) investment, notably in such areas as banking, telecommunications and real estate development. The Egyptian government has gradually wound back unsustainable subsidies on fuel, and explored ways of enabling and requiring state-owned enterprises to modernize and, through exposure to competition, in such areas as flour milling, to become more efficient. But the economic reform process places the state in the horns of a dilemma.

Insecurity is both an outcome of modernization and a normative component of that process. Without a constant process of challenge to existing institutions there can be no social or economic progress. It fell to the Egyptian state to manage and to channel productively the energy, anxieties and tensions that were generated accordingly. But as state-led economic reform in Egypt accentuated such insecurity at individual, familial and societal levels. But as differentials widened between the population at large and the privileged few who were the

primary beneficiaries of the economic reform process, especially from 2004 until January 2011 under the Nazeef government, resistance to such reforms rose. The most visible results were fairly low-key labour disputes over employment conditions in privatized factories (*New York Times* 28 April 2010). There was also a noticeable increase in public anxieties about environmental issues and job security (*CBC News* 2008). But perhaps of greater long term significance was the growing trend within popular Egyptian culture towards pietist salafism, rejecting the normative environment of the secular Arab state, and drawing on horizontal linkages to like-minded, non-state actors elsewhere, especially in the Gulf, for guidance and support (Brooke 2009).

Under pressure from the secular regime and from within its own ranks, the future political and social direction of the Islamist movement in Egypt – or more correctly, movements, as there are significant differences among them (Rashwan 2009) – is— remains uncertain (Hamzawy 2007, 2008). In some ways, the modernist Islamist trend is serving to affirm positive views of rights of women to study, work and explore their creative potential (Kandiyoti 1997). Its emphasis on ethical standards and social justice, its condemnation of corruption and its rejection of compromise with or concessions to Israel set it apart, at least in the popular imagination, from its secular counterpart. But the momentum of the movement, as well as the regional political outlook, favours its conservative and pietist strands rather than its more liberal and progressive elements.

Among those Islamists preoccupied with doctrinal concerns at the expense of concern for common humanity and social progress, it is not possible to discern a desire for creative approaches to bridging the gaps between their values and those they hold to be in error (Faruqi 2008; Khader 2010). To the extent that the views of pietists and conservatives within the education system, in the mosques and on the street constrain reform and creativity, especially in education and the arts, and hinder directly or indirectly the empowerment of women and the

emergence of a critically-aware and politically potent civil society, they complicate the reform process and limit the capacity of Egyptians to engage effectively in world society.

There has however been considerable reluctance, both on the part of the Egyptian state and within the informal networks of power and obligation within which government is embedded, to confront the salafist issue in a systematic and committed way. In the Mubarak era apolitical salafists provided a pietist counterweight to the politically engaged Islamists who the Egyptian leadership and security services saw as their primary concern. And from a systemic perspective, to reduce the popular appeal of the salafist movement would require unprecedented economic, political and social empowerment of ordinary Egyptians by the state, in order to give its citizens a sense of participation in and ownership of decisions which affect them. That process has begun, with the uprising of 2011, but it has a long way yet to go.

A key question is whether the political uprising in Egypt will bring about changes in the ongoing restrictions on opportunities for employment and lifestyle choices, as well as ending the political frustrations that together were producing ever-greater introversion and exclusion of other versions of reality or contrary values among young Egyptians. The absence of such empowerment made it difficult for the state to counter the appeal of salafism to educated but marginalized people who, experiencing a sense of powerlessness and humiliation at home and perceiving it abroad, found increasingly attractive the values and role models which challenged that system. For the socially and politically marginalized, political Islam in its more conservative forms may be lacking concern for common humanity and social progress, but it reaffirmed their sense of worth and dignity, both as individuals and collectively as part of the Muslim *umma*.

Even in relatively enlightened Islamist and secular circles in Egypt and elsewhere, while each have difficulty enunciating what it means to be both 'Arab' and 'modern' in a globalizing world they nevertheless draw their identity to a significant extent from a sense of antipathy towards

the values of the other. To the secular Egyptian elite, the headscarf and veil symbolize the rejection of the cosmopolitan values of their social stratum by which they attach themselves to the wider world. It is a concern reinforced by regional developments, especially in regard to Iran, and apprehension at the impact of salafist thinking, emanating from the Gulf states and increasingly generated from within Egyptian society. Both secularists and Islamists have adapted, moreover, to living with their primordial and interests-based differences within the framework of an authoritarian state. Empowerment threatens established bastions of authority and privilege, whether they are located within the ruling secular elite or within the Muslim Brotherhood.

Bringing together the secular and Islamists streams in ways which both sides see as providing a reasonable basis for enduring commitment to the institutions of the state, and empowering both while guaranteeing respect for the differing values they represent, poses major challenges. Communication across what are, in effect, cultural as well as political frontier zones would need to encompass an effective dialogue on such concerns as gender relations; patriarchal privilege; education standards and pedagogy; core values including attitudes to influence-brokering and corruption; religious identity and cultural authenticity, and notions of political legitimacy and leadership. Although the common experience of the uprising brought many secular and Islamist Egyptians to appreciate the degree to which they shared interests, if not perspectives, on political and social issues, reshaping Egyptian society in ways which will support democratic constitutionalism and inclusiveness as core values demands a level of understanding and mutual respect that does not exist at present across most of the population.

Outlook: the politics of changing social dynamics in Egypt

The population of Egypt is projected to rise from 65 million in 2000 to around 130 million by 2050 (US Census Bureau 2009), amidst growing environmental pressures, and significant

pressure to respond to the unmet expectations of an increasingly educated, technologically adept, organizationally-capable political audience. Because they ultimately have no choice but to meet the challenges posed by demographic and other pressures, Egypt and other Arab Middle East countries will increasingly be part of a globalizing world. But the tasks of meeting the challenge at the social, political, economic and cultural frontiers of horizontal integration – effective participation in global and national economic and political institutions and activities – and achieving greater vertical integration among the components and layers of Egyptian society raises significant issues.

Political reform will be critical to the success of Egypt's ongoing engagement with a globalizing world. Authoritarian rule in Egypt served ultimately to highlight the connection between political dysfunction and the problems of achieving human development. Regulatory reform, which only the state can conduct, is continuously required; and effective participation in its decision-making processes will be necessary if those reforms are to take root. According priority to global economic competitiveness, efficiency, real cost charging and individual creativity and profit maximization can only be at the expense of traditional values, and as such changes will have political consequences, not only for the institutions of the state but also for families and individuals, a balance has to be achieved between politics, social contract concerns including demands for economic and social justice, and economic pressures. Failure to find means to give effective political expression not only to demands for empowerment but also to popular anxieties arising from that process represents a key risk area for Egypt over the coming decade.

There is also a significant risk that if the political reform process which was launched in 2011 does not result in due course in a fully-fledged civilian government, or if the process otherwise loses its momentum toward popular empowerment, the existing Egyptian business elite will continue to engorge themselves upon its short term rewards and benefits of economic reform.

It is capable of doing so to the point where the sustainability of the system itself may be called into question. Only a strong, confident, innovative, globally-connected and competitive Egyptian private sector, backed by a government which has the strong support of the international financial and political community and which enjoys a considerable measure of popular authority and respect can deliver the outcomes that Egyptians need.

For the moment, the factors in Egypt standing in the way of continuing with economic reform are primarily political and organizational. Resistance to transformative-level reform probably has more to do with the protection of the privileged and the comfort of the familiar than the contested demands of Islam and Islamists, or the weakness of the linkages between the reformists and their wider society, or the uncertainties of the regional political and security outlook. But ultimately the sustainability of reform policies will be determined by the degree to which those policies and the values underpinning them are grown from below, rather than imposed from above. Political reform which exposes both secular and Islamist streams to the rigours of political accountability in the post-uprising environment, and which gives citizens a sense of participation in decisions affecting their lives will be a necessary part of that process. Key indicators of whether Egypt is making progress in that regard include the extent to which there is a shift from a culture of protection and control to a culture which empowers and rewards initiative. The successful pursuit of reform will entail the provision of social safety nets and redistributive mechanisms, and greater concern than was shown under Mubarak for business regulation and effective environmental management as part of the exposure of the economy to the global marketplace. It risks heightened resistance where it neglects the need to protect and consult meaningfully with the most marginalized and vulnerable of citizens.

Perhaps the most critical question is whether the Egyptian state, through a conscious and deliberate process of social empowerment alongside its search for political empowerment, will add to the pool of creativity and energy now at its disposal. Managing the challenges posed by political Islam and addressing gaps between secular and Islamist perceptions, and strengthening

the connections between Arab and world society will require strong communication skills and political vision. There are risks attached to harnessing the energies and ambitions of educated youth, not only for existing bastions of privilege, both in government and in family circles, but also for those elements in government bureaucracies which have carved out their own areas of relative comfort under the authoritarian umbrella of the old regime.

Egypt's leaders therefore face difficult political decisions if they are to capture effectively the potential for progress in a globalizing environment. But for Egypt to capitalise fully on the opportunities now before it, while preserving the Arab identity and dignity of its people, a process has to develop which balances both economic and ongoing political reforms. If those reforms are not forthcoming, we may expect to see globalization strengthening trends in Egypt toward regressive thinking and values, especially among those who, feeling marginalized from the society at large, choose to develop their identity in those unwelcome directions.

Conclusion

The frontiers between the global and the local in Egypt, and in the Arab world in general, represent multidimensional, fluid and highly charged political and social terrain. Even when viewed from rather state-centric perspectives, globalization in the Arab Middle East context provides evidence of the power of ideas and values to affect national goals and policies; to influence notions of individual and collective identity and attitudes to change at government and popular levels, and to shape the behaviour of the state as a mediator of those processes. They give rise to complex interactions between elites, and between governments and audiences, in responding to pressures across those boundaries for change. The outcomes of those interactions will determine the identities, values and outlook for Egyptians as well as the wider Arab outlook over the coming decade.

The processes through which Egyptian society is engaging with world society highlight the social and political challenges facing the state if it fails to respond to the needs of changing circumstances. It has also been suggested that while the state has been a key influence in determining the nature and timing of reforms in areas within the government domain, different components or institutions within the state have pursued their particular agendas – both progressive and conservative – in the course of that engagement. The results, accordingly, have been mixed.

In the case of Egypt, the state has been a primary means by which the ambitions of reformists to bring about social progress are adapted and delivered, notably in bringing processes of financial and regulatory authority into line with international practice, and building a sustainable platform for further enhancement of the business environment. But in some areas – notably in the political arena – informal institutions and networks operating within the state, and outside it, have also played a role in providing resistance to change. Until the uprising of January 2011, political stasis and corruption, and a growing trend within popular Egyptian culture towards pietist salafism were threatening the capacity of reformists to advance solutions to the challenges they appreciated Egypt needed to overcome.

Demographic realities, education, communications technology and other factors have left Egyptian governments without viable alternatives to the pursuit of economic reform. However those who see globalization as an unstoppable process, in the Egyptian context at least, downplay the significance of countervailing factors at their peril. Since the fall of the Mubarak regime there has been understandable concern within Egypt and abroad about the open-ended nature of reform, and the potential for it to produce unintended consequences for the political stability and internal security of the country. Though they rejoiced at Mubarak's fall, Egyptians in general are conservative, remarkably good at adapting to political and economic dysfunctionality, and wary of changes from the familiar. The privileges entrenched by the

former elite and accruing to favoured parts of the middle class, and the special status of members of the military and those bureaucrats who enjoyed exceptional access to opportunity within the process of government are not about to be readily surrendered by those parties either. The Egyptian case, and the tumultuous events of 2011 remind us that study of globalization is best undertaken in a way which accords consideration to its integrative and disintegrative social consequences. In the Arab context, it highlights the agency of the state, as well as the state's tendency towards structural immobility. If that seems anomalous, it is merely a reflection of the ambiguities and tensions within Egyptian society, as indeed exist in most Arab countries facing, like Egypt, a future pregnant with possibilities.